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May 12, 1999

TO:

Minerals File

FROM:

Tony Gallegos, Senior Reclamation Specialist Add

RE:

Site Inspection, Umetco Minerals Corporation, Calliham Mine, M/037/023, San Juan

County, Utah

Date of Inspection:

April 29, 1999

Time of Inspection:

1205 - 1306

Conditions:

Windy, cool, overcast

Participants:

Tony Bates, Frank Barnett, Umetco; John Skidmore, landowner; Tony

Gallegos and Doug Jensen, DOGM

Purpose of Inspection: To document the current status of the mine site

The inspection began with an attempt to get to the Deremo-Peterson site, however, the recent rains made the access road too muddy to travel on. From a distance we could see some of the dumps had been regraded and topsoiled, but Tony Bates explained these areas had not yet been seeded. We proceeded to the Calliham Mine and first took photos of the general areas showing the waste dumps and mine portal.

Features at the mine site include: a waste rock dump, a low grade ore pile, a larger waste rock dump, one mine portal, several concrete foundations, a few power poles and two evaporation ponds to the west of the portal site. A metal tank for storage of magchloride was still on site. A small shack on a platform near the main portal area was also present. There were no other buildings or structures on the site. The portal gate was locked. Looking in from the gate you could see that the entry had caved a short distance inside. On the surface of the caved area Umetco had graded additional materials to seal up the opening. Other than removal of most of the buildings, the main portal area has not received any reclamation treatments.

Tony Bates mentioned that Energy Fuels had removed the buildings from the foundations as part of the transfer agreement. While at this site Mr. Jim Butts, operator of the Sage Mine and the recently permitted Jimbo Mine, made a short appearance. Photographs were taken of the areas visited to document the current site status.

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We left the main Calliham portal area to visit the ventilation bore holes which are a short distance away. The first bore hole was visible from the road as a yellow collar in a field next to a house. This borehole is on Jack Calliham's property. A photograph of this borehole was taken from the road. According to Umetco, this is a seven foot diameter borehole.

The next area visited was the location of several building foundations and ventilation shafts on John Skidmore's property. These concrete foundations were the location of a compressor. The metal building which had been housing the compressor had collapsed after the tin outer skin had been removed. The twisted red iron support members still remain at the site. A seven foot diameter ventilation borehole with a yellow fan housing is located a short distance from the concrete foundations to the southeast. Another ventilation borehole is located a greater distance to the southeast of the concrete foundations. This borehole was visible with some metal pipe or metal railing around it.

Visible from the foundations looking to the southwest were several buildings, some power poles with transformers and a yellow fan on a ventilation borehole. These features are located on Calliham property. Looking almost due south from this location is a power pole just above the tree line. According to Umetco, this power pole is the location of another ventilation borehole. We did not walk to either of these two this ventilation holes at this time.

Umetco explained that the main junction into the Utah Power and Light power lines is just east and north of this location. All the lines running to the mine features located south of here were installed by Umetco and were associated with the mine property. It should be noted that the landowners expressed an interest in retaining the power poles and lines which were on their property. According to Umetco, all the transformers had been tested and contain no PCB's. It was pointed out that copies of these documents would be useful to the landowners to make sure that they did not have to retest the transformers. Current estimated salvage value for the transformers is about \$1.00 per KVA.

The inspection ended with the understanding that the Division would examine the files to determine the allowed time of suspension for this mine and the other Umetco Mines. Umetco will need to know the allowed suspension time remaining to budget and schedule reclamation work. Umetco agreed to supply the Division with a listing of UTM coordinates for the Calliham Mine features and the other mines in the immediate future. Umetco would contact the Division regarding the status of the proposed permit transfer in the near future.

jb cc: Tony Bates, Umetco m37-23.ins